higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

N790**(E)**(J5)T

NATIONAL CERTIFICATE

INTRODUCTORY ENTREPRENEURSHIP N4

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This question paper consists of 5 pages.

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DEPARTMENT OF HIGHER EDUCATION AND TRAINING
REPUBLIC OF SOUTH AFRICA

NATIONAL CERTIFICATE
INTRODUCTORY ENTREPRENEURSHIP N4
TIME: 2 HOURS
MARKS: 100

NOTE: If you answer more than the required number of questions, only the required number will be marked. All work you do not want to be marked must be clearly crossed out.

INSTRUCTIONS AND INFORMATION

1. Answer only FOUR questions.
2. Read ALL the questions carefully.
3. Number the answers according to the numbering system used in this question paper.
4. ALL calculations must be rounded off to TWO decimal places.
5. Write neatly and legibly.

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CASE STUDY

Read the following case study with understanding and answer the questions.

THE FEATHER DUSTER

Wendy Williams worked as an administrative manager for a big insurance company for eight years. To work full time and be the mother of two toddlers was a demanding job. She always wished that she could find a team of reliable people to clean her house thoroughly within just a few hours.

Wendy talked to her friends and neighbours in the area of Boston, a suburb in Bellville, and realised that all of them experienced a common problem, namely the lack of reliable, experienced trained domestic workers. Wendy resigned from her job and started her own enterprise, The Feather Duster.

Wendy started on a small scale, since she did not have much capital. She used her pension pay-out and savings to convert her garage into an office. She had to take out a loan of R30 000,00 to purchase two vacuum cleaners, and office equipment such as a computer, a printer, and fax machine, as well as a desk and filing cabinets. She also applied for a bank overdraft to purchase cleaning detergents, feather dusters, brooms and mops from a wholesaler in Epping.

Wendy employed six employees – two to do the dusting and sweeping, two to vacuum the carpets and two to clean kitchens, bathrooms and tiles. She used her own vehicle to transport the employees and equipment from one workplace to another.

Wendy did not advertise her services and relied on her friends to tell other people about her cleaning services. As more and more people became aware of her enterprise, the orders started streaming in and she could not accept all of them. Wendy had to employ more people, put together different teams and appoint a supervisor for each team.

QUESTION 1

1.1 Wendy is referred to as an entrepreneur.

Define the term *entrepreneur*. (4)

1.2 Give TWO reasons why Wendy started her own business? (4)

1.3 Wendy's business is a sole trader. State SIX advantages of this form of ownership. (6)

1.4 State SIX functions involved in a business enterprise. (6)

1.5 What is the difference between the sum of 290 and 347, and the product of 30 and 4? (5)

[25]

QUESTION 2

2.1 Wendy has about 300 clients making use of her service. Each client spends an average of R200,00. On average a client spends 40% on Wendy's service. Wendy is convinced that she will attract a 10% market share.

Calculate the potential rand value of her market share. (6)

2.2 State SIX items that should be included in the contents of the financial plan of Wendy's business. (6)

2.3 Name any FIVE basic financial accounting records. (5)

2.4 Wendy charges about R150,00 for cleaning a house. The price is scheduled to increase by 10%. Calculate the new price. (3)

2.5 List FIVE activities involved in dealing with suppliers. (5)
[25]

QUESTION 3

3.1 Which FOUR factors of production played a role in Wendy's business? (4)

3.2 Which market research methods will Wendy utilise to identify her target market. (3)

3.3 Give any THREE source documents that Wendy can use to record the business transactions. (3)

3.4 Explain the importance of a business plan for Wendy's business. (6)

3.5 Discuss the SEVEN steps of the purchasing procedure. (7)

3.6 Define the term *bank overdraft*. (2)
[25]

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QUESTION 4

4.1 List SIX activities that can be identified in the production function. (6)

4.2 Wendy invested R12 500,00 at a bank at 10% interest per annum for four years. Calculate the interest at the end of the four years.

Formula**:** $I = \frac{P \times r \times t}{100}$ (4)

4.3 Indicate whether the following statements are 'TRUE or FALSE'. Write only 'True' or 'False' next to the question number (4.3.1–4.3.5) in the ANSWER BOOK.

4.3.1 Religion is an example of a cultural need.

4.3.2 Salaries and wages are other factors of production.

4.3.3 A product is an intangible benefit of need satisfaction.

4.3.4 A need is a desire or craving for something that gives satisfaction.

4.3.5 Consumer goods are used by the final consumer for example food.

(5 × 1) (5)

4.4 Draw a questionnaire with FOUR questions that Wendy can use to find out what her customers like about her business. (4 × 2) (8)

4.5 Name TWO types of risks Wendy can encounter in the business world. (2)

[25]

QUESTION 5

5.1 Explain the FIVE goals of a private business. (5)

5.2 Wendy must compile her marketing mix. Which elements will she include in this description? (5)

5.3 For Wendy to provide her service, the labour input amounts to R30,00, the cleaning detergents used are R35,00 and other additional costs R15,00.

Calculate the percentage of each component. (6)

5.4 Which methods will she use to bring her service under the attention of potential buyers?

Give FOUR practical examples. (4)

5.5 Give FIVE examples of demographic factors Wendy needs to study to find the needs of her target market. (5)

[25]

TOTAL: 100

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